

August 17, 2006

FOR IMMEDIATE RELEASE

**COMMISSIONER BOYLE OBJECTS TO TELECOMMUNICATIONS PLAN
BEFORE THE FEDERAL COMMUNICATIONS COMMISSION**

LINCOLN – Commissioner Anne Boyle of Omaha strenuously objected Tuesday to a plan currently before the Federal Communications Commission (FCC) that she said would be unfair to Nebraska.

Boyle's comments were directed at the intercarrier compensation reform plan which was developed through a series of workshops conducted by State Commissioners Larry Landis, Indiana and Ray Baum, Oregon who acted as facilitators between all telecommunication carriers in an attempt develop a fair compensation plan in a changing environment. The FCC's comment period on the proposal, named the Missoula Plan after the Montana city where one of the workshop meetings was held, ends September 25.

"It is deeply troubling," Boyle said at Tuesday's meeting of the Nebraska Public Service Commission. "The plan has been in the works for two and one half years and it has glaring problems.

While Boyle did not criticize the effort to develop the plan, she stated that an initial review finds the plan "seriously flawed" on a number of fronts. She stated, "The most egregious problem, in my opinion, is the failure to address an estimated \$2 billion shortfall to compensate Nebraska and 25 other states that have established intrastate funds. We helped take the load off the federal fund. This proposal is sorely lacking." The Missoula Plan proposes \$200 million to compensate those states that addressed the access charge disparity and rebalanced local rates. Early estimates are that the fund may need at least \$2 billion to be fair and equitable to the states that have already implemented many of the proposed reforms embodied in the Missoula Plan.

She continued, "Qwest rural customers, in simple terms, are discriminated against. They are charged a higher subscriber line charge with no cap while a customer served by rural carriers has a lower rate with a cap."

"Twenty-six states generate some type of intrastate funding in lieu of federal funding," Boyle said. Since its inception in Nebraska, the state universal service fund has drastically reduced long distance charges, which formally were among the highest in the nation, balanced local rates throughout the state and established a state fund to pay for intrastate costs. "This plan fails to capture the enormity of those contributions," Boyle said.

Boyle said the Missoula Plan also would hasten the national exhaust of existing area code numbers which the Nebraska agency has fought to avoid. The FCC could mitigate this problem by requiring all carriers to implement 1000 block pooling. "Without FCC action, we are on a track to 10 digit dialing throughout the nation", she said.

“It is truly regrettable that with so much effort, there is so much left to be done; however, we must object,” she said.”

Send to: All
plus to NARUC – Brad Ramsey – (GH will forward to him - jac).